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C O N F I D E N T I A L SECTION 01 OF 02 THE HAGUE 002843

SIPDIS

E.O. 12958: DECL: 11/10/2013

TAGS: [ECON](#) [IZ](#) [NL](#) [PGOV](#) [PREL](#)

SUBJECT: AMBASSADOR'S NOVEMBER 10 DINNER WITH DUTCH PRIME MINISTER BALKENENDE

Classified By: Classified By: DCM Daniel R. Russel:

reasons 1.5 (B) (D)

¶1. (C) Summary: Ambassador Sobel hosted dinner for Dutch Prime Minister Jan Peter Balkenende November 10. The PM's Diplomatic Advisor Rob Swartbol and DCM also attended. Balkenende promised that Dutch foreign policy would remain constant when Ben Bot became FM on Dec. 3, but cautioned that EU Presidency preparations would consume increasing amounts of government attention. Balkenende restated his commitment to shoring up trans-Atlantic ties and expressed interest in working on US-EU border security and justice issues during the Dutch presidency. He described an agenda with a heavy European focus, and was cautious on whether the Dutch could play a constructive role in fostering US-EU Article 98 agreements. The PM indicated he was also thinking about an outreach of some kind to Israel. Balkenende thanked the Ambassador warmly for the reception by the President and other senior USG officials in Washington in September. End summary.

New Foreign Minister, Same Foreign Policy

¶2. (C) Balkenende said that Ben Bot, set to replace outgoing FM de Hoop Scheffer on December 3, would maintain the government's priorities in foreign affairs: European integration, the trans-Atlantic relationship, and continuity in Middle East policy. Balkenende said Bot is indeed a Europeanist, having spent the past ten years as Dutch Ambassador to the EU, but will be strong in maintaining trans-Atlantic ties and will maintain the existing division of labor with the State Secretary for European Affairs. Balkenende cautioned that Bot would have his hands full in the first few months of his tenure. His first order of business is establishing himself with the Parliament and preparing for the EU Presidency. He also needs to invest in establishing his management of the Ministry and to travel abroad, including to Washington. Balkenende noted that he himself would travel to the US in March to receive an award at Princeton and planned to make a major speech on trans-Atlantic relations at that time.

Dutch '04 EU Presidency

¶3. (C) Sobel asked what initiatives the Dutch could take during their presidency in support of the US-European relationship. The Justice Minister, who had recently met with DHS Secretary Ridge, had confirmed that Dutch would be working on Justice and Home Affairs (JHA) issues during their presidency and agreed that perhaps there could be progress on the US-EU track. Swartbol said that the GONL had not made decisions yet about any trans-Atlantic initiatives, but a US-EU effort on border control and justice issues would fit the Dutch emphasis on internal and external security. He cautioned that the arrival of a new slate of EU Commissioners in November '04 would complicate and delay things. PM Balkenende said that he and Irish PM Ahern had discussed the question of whether the Dutch would begin the process of designing a program to follow Tampere -- the JHA multiyear plan that would be completed and reviewed during the Irish Presidency. In order to get anything done in the second half of '04, the Irish would have to do the preparatory work. Balkenende said he would ask his people to look at the possibilities.

¶4. (C) The Ambassador urged the PM to stay engaged in the trans-Atlantic partnership and show leadership in Europe. Wrapping up on the EU Presidency, Balkenende said that the government is increasingly busy in its preparations, although he invited the Ambassador to contact him when there are important US issues. The cabinet now meets monthly to review Presidency preparations, and the pace of those meetings will accelerate.

Balkenende listed the following Dutch priorities for the second semester of '04:

- - Enlargement - Bulgaria, Romania, and Turkey;
- - The new European Commission and Parliament;
- - Lisbon 2000 (economic), Tampere, and Common Security and Foreign Policy (CSFP);
- - Deregulation in Europe; and
- - Promoting social values in Europe.

Other issues

15. (C) ICC: The Ambassador also raised the ICC, noting that the UN arrangements will again expire in June, risking a US-EU confrontation. The US position will not change, so wouldn't it be better for the European Council Presidency to deal with this? Balkenende replied that it would be very hard to imagine the EU accepting Article 98 agreements with the US. The American perspective on the ICC is very different and will not change; Dutch political support for it is strong. Swartbol added that since the Netherlands is the host country, it is very difficult for the government to engage on this matter. Europe does not want conflict with the US over the ICC, but objects to pressure and publicizing **1A.** 98 agreements by other countries. DCM responded that the US was not seeking to undermine the ICC and that EU countries individually wanted to find a way out of the confrontation with the US over the ICC. The treaty itself provided the answer in Article 98 and we would welcome quiet Dutch efforts with its EU partners to break the stalemate.

16. (C) Economics: Sobel briefed the PM on plans for a high-level trade mission by Dutch companies to Silicon Valley. Balkenende confirmed that he would address the group via video and expressed interest in meeting with the mission when it returned. He described the government's efforts to increase private R&D spending, eliminate barriers to foreign scientists coming to Dutch universities, and otherwise increase competitiveness in the short and the long term.

17. (C) Iraq: Balkenende asked if the Madrid Conference had been successful. Ambassador replied that it had been very positive and a number of countries had risen to the challenge at the last minute. DCM noted that there had been valuable consultations in and on the margins of the conference. The Iraqi Planning Minister al Hafidh, who visited the Netherlands in October, had just been named Minister of Development and International Cooperation - was the GoNL planning to do more in helping to grow the Iraqi economy and build infrastructure? Sobel said that Dutch industry has been signaling its interest and was looking for leadership from the government. Balkenende replied that Economic Affairs Minister Brinkhorst was the person who should be developing opportunities for Dutch companies and promised he would raise the issue.

18. (C) The Ambassador probed Dutch thinking on the Middle East in the run-up to their EU Presidency. Balkenende said that any effort in the Middle East Peace Process would need to be carefully prepared and depended on whether the two parties were ready to negotiate seriously. Picking up the point previously made to the Dutch FM in Washington last September by White House Senior Director Elliot Abrams, Sobel noted that anything that reduced Israel's isolation from the EU would be beneficial. Swartbol later told the Ambassador that the GONL, if it decided to get involved, would think in terms of inviting PMs Sharon and Qurei (separately) to visit Holland, probably sometime next year.

Comment

19. (C) Balkenende remains staunchly supportive of the trans-Atlantic relationship and again demonstrated his accessibility to the Ambassador and willingness to entertain new ideas. The conversation revealed, however, the extent to which he and the GONL are increasingly consumed by the vortex of Europe, particularly in the run-up to the Dutch EU Presidency in July '04. Dutch decision-making in the best of times is slow and diffused - and Balkenende is a consensus-builder in a coalition cabinet, not an assertive leader dominating the political scene. This means that although Balkenende's heart is in the right place, getting him, incoming FM Bot, and other senior GoNL officials to focus adequately and consistently on US equities will be a labor-intensive process -- although well worth the effort.
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